

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

**OPERATIONAL UPDATE
FOR THE THREE MONTHS ENDED 31 MARCH 2022**

This announcement is made by Jinchuan Group International Resources Co. Ltd (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company announces the unaudited operational update for the three months ended 31 March 2022 (the “**First Quarter**”).

OPERATIONAL UPDATE FOR THE THREE MONTHS ENDED 31 MARCH 2022

Operational Data

The Group's operational data of mining operations and the revenue generated from trading of mineral and metal products summarized and shown in the table below are derived from the management account and internal records currently available to the Group. Such operational data are intended to give investors an overview of the Group's operations in a timely manner which may differ from the actual data to be disclosed in future periodic report(s) of the Group.

	For the three months ended 31 March 2022	For the three months ended 31 March 2021
Mining operations		
Production:		
Copper (<i>tonne</i>)	14,308	14,491
Cobalt (<i>tonne</i>)	1,104	785
Product sold:		
Copper (<i>tonne</i>)	15,137	14,293
Cobalt (<i>tonne</i>)	843	691
Revenue (including provisional pricing adjustment) – approximate figures:		
Copper (<i>US\$'000</i>)	138,361	121,428
Cobalt (<i>US\$'000</i>)	41,723	29,480
Mining operations revenue (<i>US\$'000</i>)	180,084	150,908
Trading of mineral and metal products		
Revenue – trading of externally sourced mineral and metal products – approximate figures (<i>US\$'000</i>)	125,483	15,244
Total revenue (<i>US\$'000</i>)	305,567	166,152

Note: Pricing coefficients were considered in actual sales revenue

In the First Quarter, the Group's mining operations produced 14,308 tonnes of copper content included in copper cathode and copper concentrate (three months ended 31 March 2021: 14,491 tonnes) and 1,104 tonnes of cobalt content included in cobalt hydroxide (three months ended 31 March 2021: 785 tonnes).

In the First Quarter, the Group's mining operations sold 15,137 tonnes of copper (three months ended 31 March 2021: 14,293 tonnes), representing an increase of approximately 6% year-on-year compared to the corresponding period in 2021, and 843 tonnes of cobalt (three months ended 31 March 2021: 691 tonnes), representing an increase of approximately 22% year-on-year compared to the corresponding period in 2021.

Out of the sales of copper and cobalt, the Group's mining operations generated revenue of approximately US\$138.4 million and US\$41.7 million in the First Quarter respectively (three months ended 31 March 2021: approximately US\$121.4 million and US\$29.5 million respectively), representing approximately 14% and 42% year-on-year increase compared to the corresponding period in 2021 respectively.

Moreover, the revenue generated from trading of externally sourced mineral and metal products amounted to approximately US\$125.5 million, representing an increase of approximately 723% as compared to approximately US\$15.2 million in the corresponding period in 2021.

Analysis and Prospect

In the First Quarter, copper production volume decreased by 1% as compared to the corresponding period in 2021 as the Group has processed ores with lower copper grade, while cobalt production volume increased by 41% as compared to the corresponding period in 2021 due to the increase in both feed ore grade and cobalt recovery rate.

The average benchmark London Metal Exchange ("LME") copper and Metal Bulletin ("MB") cobalt prices for the First Quarter were US\$9,985 per tonne and US\$35.5 per pound respectively, representing a 18% and 66% increase as compared to the average benchmark copper and cobalt price for the corresponding period in 2021 of US\$8,479 per tonne and US\$21.4 per pound respectively. Due to the materially higher market prices for copper and cobalt in the First Quarter as compared to the corresponding period in 2021, together with the increase in volume of copper and cobalt sold in the First Quarter, which led to a significant increase in revenue generated from mining operations.

LME copper price has increased by approximately 7% from the end of 2021 and reached US\$10,337 per tonne by the end of March 2022. This has led to the increase in the Group's mining operation's revenue and profit in the First Quarter.

In addition to the sales of copper and cobalt under mining operations as mentioned above, since 2021, the Group's Chibuluma mining assets were leased out to an independent third party under a finance lease agreement. The Group is entitled to receive fixed rental fee plus a flexible royalty fee payable calculated based on volume of copper sold and the underlying copper market price. In the First Quarter, the lessee produced and sold 904 tonnes of copper and the Group has recorded a royalty income (under other income) of approximately US\$0.7 million under the finance lease agreement. For details of the finance lease agreement, please refer to the Company's announcement dated 28 December 2020.

The trading of mineral and metal products segment recorded a significant increase in revenue on trading of externally sourced commodities of 723% from US\$15.2 million for the corresponding period in 2021 to US\$125.5 million for the First Quarter. The increase was due to the increase in trading volume of the new trading business line in Hong Kong.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the current information available to the Board which have not been audited nor reviewed by the Company's independent auditor.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company, and should note that undue reliance on or use of the above information may cause investment risks.

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Hok Bun Mario
Company Secretary

Hong Kong, 5 May 2022

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; two non-executive directors, namely Mr. Liu Jian and Mr. Wang Qiangzhong; and three independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Mr. Yu Chi Kit.